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6 Attorneys for Defendants
7 FEDERAL HOME LOAN BANK OF SAN FRANCISCO,
ANITA ADAMS AND EMMANUEL UNGSON

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

FREDDIE LAMBRIGHT, JR.,
Plaintiff,
vs.
FEDERAL HOME LOAN BANK OF
SAN FRANCISCO, ANITA ADAMS,
EMMANUEL UNGSON and DOES 1-50,
Defendants.

Case No. C 07 4340 CW

**DECLARATION OF CECILY
WATERMAN IN SUPPORT OF
DEFENDANTS' MOTION TO DISMISS
PLAINTIFF'S STATE LAW CLAIMS;
MOTION TO DISMISS INDIVIDUAL
DEFENDANTS; PETITION TO COMPEL
ARBITRATION OF REMAINING CLAIMS**

Date: November 15, 2007
Time: 2:00 p.m.
Dept.: 2
Judge: Hon. Claudia Wilken

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I, Cecily A. Waterman, do hereby declare and state as follows:

1. I am a partner with the law firm of Morgan, Lewis & Bockius LLP, counsel for Defendants the Federal Home Loan Bank of San Francisco, Anita Adams and Emmanuel Ungson (“Defendants”) in this action. The following facts are within my personal knowledge and, if called as a witness to testify, I could and would testify competently thereto.

2. On September 12, 2007, I sent a letter to Plaintiff's counsel, Waukeen McCoy, Esq., enclosing the Federal Home Loan Bank of San Francisco's Employee Handbook ("Handbook") (containing therein, the Dispute Resolution Procedure) and Plaintiff Freddie Lambright Jr.'s ("Plaintiff") acknowledgments of the Handbook(s). In my letter, I requested that Plaintiff submit his claims to binding arbitration. Attached hereto as Exhibit A is a true and correct copy of my September 12, 2007 letter, without its enclosures.

3. To date, Mr. McCoy has not responded to my letter or to Defendants' arbitration demand.

I declare under penalty of perjury under the laws of the United States and of the State of California that the foregoing is true and correct.

Executed this 28^P day of September, 2007 at San Francisco, California.

Cecily A. Waterman

EXHIBIT A

Morgan, Lewis & Bockius LLP
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Cecily A. Waterman
 Partner
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September 12, 2007

VIA FACSIMILE & U.S. MAIL

Waukeen McCoy, Esq.
 Law Offices of Waukeen McCoy
 703 Market Street, Suite 1407
 San Francisco, California 94103

Re: *Lambright v. Federal Home Loan Bank of San Francisco, Anita Adams and Emmanuel Ungson, USDC Northern District of California – Case No. C07-4340 (CW)*

Dear Mr. McCoy,

Pursuant to the Federal Arbitration Act, 9 U.S.C. §§2 & 3, and Section 1281.2 of the California Code of Civil Procedure, Defendants Federal Home Loan Bank of San Francisco (“FHLB”), Anita Adams and Emmanuel Ungson (collectively “Defendants”) hereby demand arbitration in accordance with the agreement(s) Mr. Lambright signed during his employment with FHLB.

On May 14, 1997, Mr. Lambright signed an acknowledgment of receipt of FHLB’s employee handbook. The acknowledgement states: “These policies and procedures are the operative terms and conditions under which the Bank will offer employment” “I understand it is my responsibility to read, understand and follow the policies, practices and procedures during my employment with the Bank.” The acknowledgement specifically references FHLB’s “Dispute Resolution Procedure, providing for binding arbitration.” For your reference, a true and correct copy of Mr. Lambright’s May 14, 1997 acknowledgment is attached as **Attachment 1** to this letter.

Mr. Lambright signed subsequent acknowledgments of the Bank’s arbitration policy on January 9, 2003, January 28, 2004, July 14, 2004, January 12, 2005, March 23, 2006 and February 9, 2007. For your reference, true and correct copies of Mr. Lambright’s acknowledgments are attached as **Attachment 2** to this letter.

The FHLB’s Employee Handbook is enclosed herewith. The Dispute Resolution Procedure is set forth at pages 17-21.

Waukeen McCoy
September 14, 2007
Page 2

Morgan Lewis
COUNSELORS AT LAW

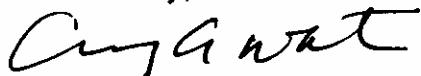
In accordance with the Dispute Resolution Procedure, Defendants FHLB, Adams and Ungson designate the following potential arbitrators:

Hon. William J. Cahill (Ret.)
Hon. Ellen Sickles James (Ret.)
Gerald R. McKay
Hon. Richard L. Patsey (Ret.)
Catherine A. Yanni

Please notify me no later than **12:00 p.m. September 17, 2007** if Mr. Lambright will submit his claims to binding arbitration in accordance with the Dispute Resolution Procedure. Defendants are prepared to move the claims against them forward in binding arbitration. If your client does not submit his claims against the Defendants to arbitration, the FHLB will file a motion to compel arbitration based upon the above-referenced agreements. Additionally, please notify me no later than **5:00 p.m. September 27, 2007** if Mr. Lambright will accept one of FHLB's proposed arbitrators.

Thank you for your prompt attention to this matter.

Sincerely,



Cecily A. Waterman

Attachments